

James H Woody  
President

Kelly Worthington  
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August 15, 2012

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Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

**RE: WC Docket Nos. 10-90, 07-135, 05-337 and 03-109; GN Docket No. 09-51 and CC Docket Nos. 01-92 and 96-45**

Dear Ms. Dortch:

On August 14, 2012, Robert DeBroux and the undersigned, representing the Western Telecommunications Alliance ("WTA") met with Nicholas Degani, Legal Advisor to Commissioner Ajit Pai to discuss issues in the noted proceedings.

Mr. DeBroux and I discussed the Quantile Regression Analysis ("QRA") model, its benchmarks and inputs, and how it continues to provide uncertainty for WTA members. We also discussed how the projected yearly changes create more unpredictability, which is preventing rural rate-of-return ("ROR") carriers from being able to properly plan to deploy broadband throughout their service territories to fulfill the goals of the National Broadband Plan. We discussed why the QRA should not apply retroactively to past investments, as this will help ROR carriers recover their costs for investments already made. We also discussed why it is appropriate for the Commission not to move forward on the many issues identified in the *Transformation Order's* Further Notice of Proposed Rulemaking (FNPRM) until the concerns with the QRA are fixed and the impacts are known.

The discussion also covered concepts and principles regarding paths going forward that would help ensure WTA members and ROR carriers have certainty and predictability in a system that provides the proper incentives for broadband buildout.

Pursuant to Section 1.1206(b) of the Commission's Rules, this submission is being filed for inclusion in the public record of the referenced proceedings above.

Sincerely,

/s/ Derrick B. Owens

Derrick B. Owens  
Vice President of Government Affairs

cc: Nicholas Degani